Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Livestock Monitor

Market Indicators . . .

March 1, 1996

Production

Week Ending 03/02/96	Current	Year Ago
FI Cattle Slaughter ('000)	689	603
FI Hog Slaughter ('000)	1827	1876
FI Sheep,Lamb Slau. ('000)	86	97
Live Y. Chick Slau. ('000,000)	143.3	134.0
Slaughter Cattle Weight	1184	1184
Slaughter Hog Weight	254	256
Slaughter Lamb,Sheep Weight	127	129

Week Ending 03/02/96	Current	Year Ago
Beef Production (Mil Lbs)	486.6	424.0
Pork Production (Mil Lbs)	338.8	347.9
Lamb,Mutton Prod. (Mil Lbs)	5.7	6.2

Yr. To Date Ending 03/02/96	Current	Year Ago
Total Beef (Mil Lbs)	4297	3996
Total Pork (Mil Lbs)	3007	3015
Total Lamb,Mutton (Mil Lbs)	46.1	50.8

Prices

Wednesday Daily Weighted Avg.	Last	Week Ago	Year Ago
Live Steer	62.98	62.57	73.41
Live Heifer	62.96	62.50	73.03
Dressed Steer	101.18	100.64	117.52
Dressed Heifer	101.22	100.58	117.43

	Last	Week Ago	Year Ago
Beef Cutout (Ch 5-7)	97.16	99.94	110.04
USDA Hide/Offal ($/Cwt)	8.11	8.10	9.42
Iowa, S. Minn. Mkt Hogs	48.50	46.50	38.45
Feeder Pigs (40-50 Lbs)	34.25	NA	39.75
Pork Cutout (#2)	64.28	64.92	62.33
Lamb Carcass (55-65 Lbs)	176.25	NQ	154.25
Corn, Omaha ($/Bu)	3.80	3.73	2.23
Wheat, Portland ($/Bu)	5.53	5.43	3.89
Wheat, Kansas City ($/Bu)	5.73	5.55	3.81
Soybeans, S. Iowa ($/Bu)	7.28	7.34	5.56

Trends . . .

SUMMARY OF 1995 TRADE AND A PROBLEM FOR POULTRY

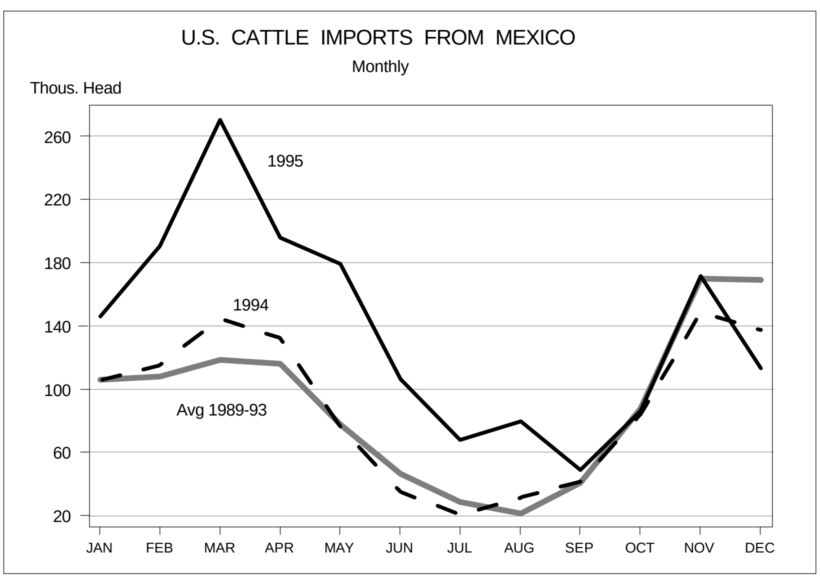
Cattle imports from Mexico totaled 113,156 head in December. That was 24,466 and 55,934 fewer head than in December 1994 and the 1989-93 average, respectively. For the year, the U.S. imported 1.65 million head of cattle from Mexico, far fewer than some had earlier predicted. Imported cattle from Mexico declined to about average levels during the last four months of 1995. Preliminary estimates show that fewer cattle continued to come North in early 1996.

Imported cattle from Canada totaled 1.13 million head in 1995, the most since 1993.

On a tonnage basis in 1995, U.S. beef imports were 11 percent below 1994. Beef exports (carcass weight) increased 13 percent from 1994. Increased beef exports and lower imports made the U.S. a net beef exporter during the last four months of 1995.

While pork exports to Japan fell off dramatically late in 1995 due to a tariff imposition,

Chart of the Week . . .



they continued to run above 1994's level. For the year, pork exports (carcass weight) to Japan increased 52 percent and exports to all destinations were up 45 percent, compared to 1994.

Recently a major trade problem hit the U.S. broiler industry--Russia announced a ban on U.S. chicken imports because of a shipment of spoiled meat. The U.S. exported 3.9 billion pounds of broiler meat (RTC weight) in 1995. Russia accounted for 38 percent of total U.S. broiler exports, equivalent to almost 6 percent of U.S. Federally Inspected chicken production. About 90 percent the shipments to Russia were leg quarters. All sectors of the meat industry will be interested in how this dispute proceeds and how to preclude future problems.

RETAIL BEEF PRICES

Monthly average Choice retail beef prices in January fell 2.6 cents per pound from December to $2.82, according to the USDA. That was the lowest Choice retail beef price since December 1994 and the lowest January average price since 1992. The all-fresh retail beef price rose slightly to $2.60 per pound. Still, that was the lowest all-fresh retail beef price reported for January since 1990.

The Choice 550-700 pound carcass cutout (wholesale) value averaged $101.71 in January. That was $4.38 per cwt. below December and $10.46 below a year earlier. The cutout-to-retail spread increased to a record $561.2 per head due to the sharp decline in cutout values. The live-to-cutout spread averaged $89.83 per head in January, while record large for the month it was $6.71 per head below December's average.

Even with historically wide live-to-retail beef price spreads, retail beef price premiums are relatively small compared to other meats. In January, the beef-to-pork retail price ratio was the lowest (1.4) since August 1994. At retail nationwide, beef prices in January were the lowest compared to chicken (whole bird equivalent price) since October 1989.

COF REPORT

As of February 1, the USDA reported (released February 23) about 2 percent more cattle on-feed than a year earlier. (Comparisons are for the 1000+ capacity feedlots in the 7-states for which some historic data are available.) While above a year earlier, the year-over-year increase in the number of cattle on-feed was smaller than anticipated due to large marketings and a sharp drop in placements. A month earlier (January 1), there were 8 percent more cattle on-feed than a year earlier.

The USDA reported marketings for January were up 13 percent from a year earlier and up 14 percent from 1994's. Some of the year-to-year increase in marketings was due to one more slaughter day in January 1996 versus a year earlier. Still, reporting feedlots marketed aggressively. U.S. steer and heifer slaughter was up 9 percent from a year earlier.

In January, placements of cattle into feedlots were down 16 percent, compared to 1995's. Large numbers of cattle were placed in previous months, as wheat was unusable for grazing in the Southern Plains. High corn prices and cattle feeding losses also dampened interest in placing cattle.

Throughout February, fed cattle marketings remained large and placements likely remained small. So, the next Cattle on Feed report should show continued moderation in numbers on-feed.